

FORM MR-AR (Revised 11/2008)

## STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291

Fax: (801) 359-3940

## LARGE MINING OPERATIONS 2015 PROGRESS REPORT

## January 1, 2015 to December 31, 2015

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

- 1. Mine Permit Number: *M/035/0009*
- 2. Mine Name: Barneys Canyon
- 3. Name of Operator/Permittee: Kennecott Utah Copper LLC (KUC), Kennecott

Barneys Canyon Mining, Canyon Barneys Canyon Mine

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention.

Mine Location:

S1/2 SW1/4, Section 17;

N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4 Section 20;

SW1/4 SW1/4, Section 21;

W1/4 NW1/4, Section 28;

NE1/4 NE1/4, Section 29;

Township 3 South, Range 3 West

5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined 0 Tons
Waste Material Moved 0 Tons
New Disturbance 1.7 Acres during 2015
Area Reclaimed 0.0 Acres during 2015
Total Disturbed Area 308 Acres\*

Was the ore shipped off site? If not, where is the ore located?

No ore was generated in 2015.

Where is the waste located?

All waste (i.e. waste rock) is located on site.

<sup>\*</sup>Total mine disturbance from the beginning of mining operations through the end of 2015.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

Field activities associated with reclamation at the Barneys Canyon Mine in 2015 include seep water management, improvements to storm water control, asset disposal, and ongoing daily inspections.

Engineering associated with Barneys Canyon Mine in 2015 include preparation of the Pad 5 Buttress Design Package, preparation of the Pads 1-4 Design Package, preparation of the Barneys Canyon Characterization Report and Site Work Plan, preparation of the Regrade, Cover, and preparation of the Permanent Storm Water 60% Design Package. In addition, the Barneys Canyon Soil Action Level Study was performed in 2015.

Outside of this effort, no reclamation work was performed during the past year. Primarily the disturbed acreage remaining at Barneys Canyon includes the five heap leach pads, leach solution ponds, ore processing building and sulfide ore stockpile.

7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

See attached Figure "Barneys Canyon Mine M-035-0009 2015 Disturbed and Reclaimed Areas".

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Steve Schnoor

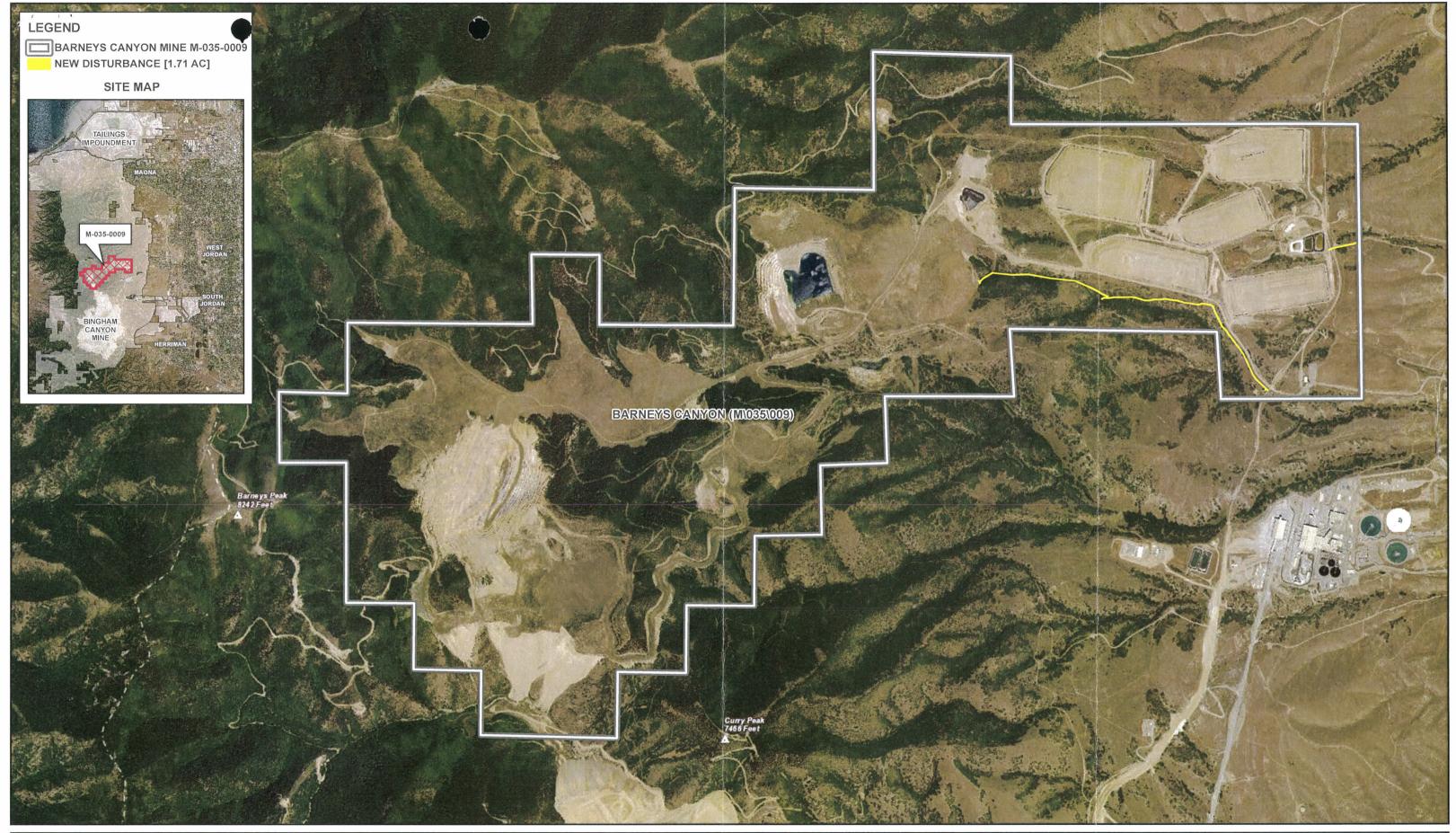
Title of Operator: Manager - Environment, Land, and Water

Signature of Operator:

Date: January 29, 2016

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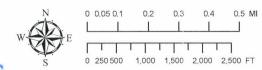


Rio Tinto Kennecott Copper

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BARNEYS CANYON MINE M-035-0009 2015 DISTURBED AND RECLAIMED AREAS

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|            | PLANT   | AREA / PROJECT  | 2015   |  |                                 |                  |                               |                    |                               |                             |              |              |                      |            |                    |                               |                             |                      |                |
|------------|---|---|--|--|---------------------------------|------------------|-------------------------------|--------------------|-------------------------------|-----------------------------|--------------|--------------|----------------------|------------|--------------------|-------------------------------|-----------------------------|----------------------|----------------|
| M&RP       |   |   | BAT  | Planned <sup>1,3</sup> Demolition St   | atus                            | %                | Complete                      |                    |                               | BAT                         | Experimental | Demolition   | Additional<br>Status | % Complete |                    |                               | \$ Expenditure <sup>2</sup> |                      |                |
|            |   |   |  | Experimental   | Demontion                       | Q                | 1 Q2                          | Q3                 |                               | \$ Expenditure <sup>2</sup> | DAT          | Experimental | Demontion            | Status     | Q1                 | Q2                            | Q3                          | Q4                   | \$ Expenditure |
| M/035/0002 | Bingham Canyon                                      | South End Dumps   | (1) Maintain/Enhance Storm Water Controls in newly-constructed basins. (2) Remove top soil/growth media from several of the drainages associated with the South Dumps. (3) Place additional mine waste rock at the base of the South Dumps to address past storm water issues. |  |                                 | (1) 35<br>(3) 25 |                               |                    | (1)100%<br>(2) 0%<br>(3) 100% | \$ 721,510                  |              |              |                      |            | (1) 25%<br>(2) 25% | <b>(1)</b> 50% <b>(2)</b> 50% | (1) 75%<br>(2) 75%          | (1) 100%<br>(2) 100% |                |
| M/035/0002 | Bingham Canyon                                      | Store and Release<br>Cover (Keystone)   |  | (1) Continue to collect<br>meteorological and<br>infiltration data from control<br>site<br>(2) Decommission<br>Keystone Control site<br>according to Mine Plan                                     |                                 | (1) 25           |                               |                    | (2) 100%                      |                             |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0002 | Bingham Canyon                                      | Reclamation Quality<br>Assessment and<br>Program  |  | (1) Enhance mapping of reclaimed areas (2) Field verification/inspection of 80% of reclaimed areas (3) Field testing of statisical methodology for success and failure                             |                                 |                  | (1) 10%<br>(2) 50%<br>(3) 40% | (2) 100%           |                               |                             |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0003 | Bingham Canyon                                      | East Waste Rock<br>Expansion  |  | (1) Salvage and stockpile native soils associated with the planned placement of additional waste rock at the base of the East Dumps (2) Place additional waste rock at the base of the East Dumps. |                                 | (1) 25           | % (1) 50%<br>(2) 0%           | (1) 75%<br>(2) 50% | (1) 100%<br>(2) 100%          | -                           |              |              |                      |            |                    |                               |                             |                      | -              |
| M/035/0002 | South Tailing                                       | Noxious Weed  | Spot treatment for noxious weeds   |  |                                 |                  | 5                             | 0% 100             | 0% 1009                       | 6                           |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0002 | South Tailing                                       | Treatment Enhancement of Existing Reclamation   | Reclamation treatment and monitoring of 50 acres on the South Impoundment that was previously disturbed by a fire. Various test plots were established.  |  |                                 |                  | 5                             | 75                 | 5% 1009                       | 0                           |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0002 | South Tailing                                       | Various Test Plots &<br>Established<br>Vegetation at the<br>South Tailings<br>Impoundment and<br>Various Facilities |  | Vegetation Monitoring (1) Various test plots associated with South Tailings and various facilities (2) Vegetation condition monitoring across property (native and reclaimed)                      |                                 | (1) 20<br>(2) 25 |                               |                    | (1) 20%<br>(2) 100%           |                             |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0009 | Barneys Canyon                                      | Closure Activities  | Includes Engineering/Design of reclamation and closed facilities, surveying, decommissioning, storm water control during closure, monitor well installation, seep water capture and conveyance, maintenance of site during closure.  |  | Decommissionin g of facilities. |                  | 5% 2                          | 35                 | 5% 1009                       | 3,101,960                   |              |              |                      |            |                    | (1) 0%<br>(2) 0%              |                             | (1)100%<br>(2) 100%  | \$ 1,209,308   |
| M/035/0009 | Barneys Canyon                                      | Noxious Weed<br>Treatment   | Spot treatment for noxious weeds   |  |                                 |                  | (1) 50%<br>(2) 50%<br>(3) 50% | (2) 100%           | (2) 100%                      |                             |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0011 | Concentrator  | Noxious Weed<br>Treatment   | Spot treatment for noxious weeds   |  |                                 |                  |                               | 0% 100             | 0% 1009                       |                             |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0015 | North Tailing<br>(Kennecott Utah<br>Copper Tailing) |   | Reclamation of 68 acres along the<br>North Slope W21-E22 and East<br>Abutment  |  |                                 |                  | 0%                            | 5% 90              | 0% 59                         | \$ 2,723,270                |              |              |                      |            |                    |                               |                             |                      |                |
| M/035/0015 | North Tailing<br>(Kennecott Utah<br>Copper Tailing) | Reclamation<br>Maintenance  | Placement of secondary fertilizer or 44 acres on the North Impoundment. Apply biosolids and wood chips to 27 acres along the east abutment, treat 19 acres with limestone on the north slope.  |  |                                 |                  | 40% 4                         | 0%                 | 0% 209                        | 6 \$ 30,670                 |              |              |                      |            |                    |                               |                             |                      |                |
| M/045/0004 | Carr Fork, Pine<br>Canyon                           | Entire  | None currently planned   |  |                                 |                  |                               |                    |                               |                             |              |              |                      |            |                    |                               |                             |                      |                |

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 <sup>2015</sup> Board Presentation and/or 2015 Reclamation Activities Plan
 Expend a minimum average, of \$50,000 – 1978 dollars per year for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.

Mine BAT/Rec includes rental, maintenance and operation of equipment, seed/seedling, fertilizer/mulch/limestone application and purchase,

<sup>&</sup>lt;sup>3</sup> Information incorporates GHG reclamation activities assessment

Barneys Canyon Mining mpany P.O. Box 3111 Bingham Canyon, Utah 84006 USA T 801-569-7110

## **Steve Schnoor**

Manager – Environment, Land, and Water On Behalf of Barneys Canyon Mine

Mr. Paul Baker, Minerals Program Manager Division of Oil, Gas & Mining Utah Department of Natural Resources 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

January 29, 2016

Attn: Ms. Leslie Heppler

Re: Large Mining Operations 2015 Progress Report

January 1, 2015 to December 31, 2015

M/035/0009

Barneys Canyon Mine

Dear Mr. Baker:

Please find attached Form MR-AR for permit number M/035/0009, Barneys Canyon Mine.

If you have any questions about these annual reports, please contact Trevor Heaton at 801.563.1514.

Sincerely,

Manager – Environment, Land, and Water

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